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The
Report
of the
President's Commission
on
National Goals

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Administered by

The American Assembly

Columbia University

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Letter of Transmittal

THE PRESIDENT'S COMMISSION ON NATIONAL GOALS

administered by

THE AMERICAN ASSEMBLY, COLUMBIA UNIVERSITY
New York 27, New York

November 16, 1960

Dear Mr. President:

We transmit herewith the Report of the President's Commission on National Goals. It is in compliance with your request to "develop a broad outline of coordinated national policies and programs" and to "set up a series of goals in various areas of national activity."

We have respected your desire that our efforts be non-partisan, and have no connection with the government. All financial support has come from private sources, with the sole exception of unfurnished offices temporarily available for our small staff. The only participation of government officials has been to supply requested data.

We asked the counsel of approximately 100 people expert in various topics, and invited 14 men and women of acknowledged competence to write essays for our consideration. The response was generous, many accepting the assignment at considerable personal sacrifice. We desire to record our deep gratitude to them. We have also drawn upon excellent work and reports in relevant fields, by many groups and institutions.

However, the Report expresses views that reflect solely our own judgment, sometimes in accord with and other times at variance from those of the several authors. This judgment was arrived at during long hours at the conference table, and members of the Commission participated actively in drafting the Report.

We do not expect our recommendations to command unanimous acceptance. Rather it is our hope that they will evoke active discussion. Under the democratic process this is the path to a national consensus. The Report and the accompanying chapters will be published in cloth and paper bound editions. We hope the volume will have wide circulation.

Our work would have been impossible without the assistance of a brilliant staff. Mr. William Bundy, the Staff Director, Mr. Hugh Calkins, his Deputy, Mr. Guy Coriden, Jr., Miss Barbara Donald, and Mr. Hubert Kay, together with Miss Blanche Moore and Mrs. Margaret Keefe, have given themselves unsparingly to this task. They have had the loyal and effective support of the officers and staff of The American Assembly, especially Mr. Peter Grenquist, Mrs. Olive Haycox, and Mrs. Sylva Sinanian.

Judge Learned Hand participated in the early meetings which established the procedures and policies of the Commission. His wisdom and cooperative temper made his participation extremely valuable. To our great regret, because of ill health he was forced to withdraw from active participation before the Report of the Commission was drafted.

We express our gratitude for the opportunity which you opened to us by our appointment.

Respectfully,

Erwin D. Canham
James B. Conant
Colgate W. Darden, Jr.
Crawford H. Greenewalt
Alfred M. Gruenther
Clark Kerr
James R. Killian, Jr.
George Meany
Frank Pace, Jr., *Vice Chairman*
Henry M. Wriston, *Chairman*

The President,
The White House

COMMISSION REPORT

INTRODUCTION

The paramount goal of the United States was set long ago. It is to guard the rights of the individual, to ensure his development, and to enlarge his opportunity. It is set forth in the Declaration of Independence drafted by Thomas Jefferson and adopted by the Continental Congress on July 4, 1776. The goals we here identify are within the framework of the original plan and are calculated to bring to fruition the dreams of the men who laid the foundation of this country.

They stated their convictions quite simply:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

It was a mighty vision. In the echo of those fateful words can be heard the onrolling thunder of a new age. It was an even broader and bolder declaration than those who made it knew. Its soaring vision enabled our society to meet the trials of emerging nationhood. It placed the young republic securely behind the principle that every human being is of infinite worth. In time it led the nation out of the morass of human slavery. It inspires us still in the struggle against injustice.

To make this vision a reality, a framework of self-government was established nationally and in each state. It rested upon two fundamental principles—the election of representatives from among competing candidates, and the constitutional limitation of power of those elected.

The way to preserve freedom is to live it. Our enduring aim is to build a nation and help build a world in which every human being shall be free to develop his capacities to the fullest. We must rededicate ourselves to this principle and thereby strengthen its appeal to a world in political, social, economic, and technological revolution.

In the 1960's every American is summoned to extraordinary personal responsibility, sustained effort, and sacrifice. For the nation is in grave danger, threatened by the rulers of one-third of mankind, for whom the state is everything, the individual significant only as he serves the state. These rulers seek the "peace" of a Communist-oriented world, in which freedom is suppressed and the individual permanently subordinated. Supporting their aim are the Soviet Union's great and swiftly growing strength, the industrial and military progress and potential of Red China, a great capacity for political organization and propaganda, and the specious appeal of Communist doctrine to peoples eager for rapid escape from poverty.

Meanwhile, weapons of cataclysmic power have come into existence. A major nuclear conflict would be a world catastrophe; violence even in or between small nations could involve the great powers and spark the holocaust.

The Sino-Soviet threat and modern weapons present great dangers; we have equally great opportunities. With the increase of knowledge and material resources, we have achieved a standard of individual realization new to history. We can continue to improve our own way of life, and at the same time help in the progress of vast numbers in the world whose lives are blighted by chronic sickness, hunger, and illiteracy.

Since 1946, foreign rule has ended for more than one billion people in Asia and Africa. Much of their yearning for independence, for respect, and for abundance has been inspired by Western and especially American example. Nevertheless, historic resentments, inadequate economies, inexperience in self-government, and excessive expectations offer fertile ground for Communist persuasion and conquest. This restless tide of events defines the magnitude of our problems and the scope of our opportunity.

* * * * *

To preserve and enlarge our own liberties, to meet a deadly menace, and to extend the area of freedom throughout the world: these are high and difficult goals. Yet our past performance justifies confidence that they can be achieved if every American will accept personal responsibility for them.

This Report identifies goals and sets forth programs. It is directed to the citizens of this country, each of whom sets his own goals and seeks to realize them in his life, through private groups, and through various levels of government. Choices are hard, and costs heavy. They demand subordination of lesser goals to the greater. But the rewards are beyond calculation, for the future of our nation depends on the result.

At the same time, the United States cannot attain its goals alone, nor by offering the free world grudging alms or condescending leadership. We must lead, but in a spirit of genuine partnership. Together, the free peoples of the world can develop unmatched strength and vindicate the mighty vision of the Declaration.

PART I GOALS AT HOME

1. THE INDIVIDUAL

The status of the individual must remain our primary concern. All our institutions—political, social, and economic—must further enhance the dignity of the citizen, promote the maximum development of his

capabilities, stimulate their responsible exercise, and widen the range and effectiveness of opportunities for individual choice.

From this concern springs our purpose to achieve equal treatment of men and women, to enlarge their incentives and to expand their opportunities for self-development and self-expression. From it comes our insistence on widely distributed political and economic power, on the greatest range of free choice in our economy, and on the fair and democratic exercise of public and private power. It underlies the value we put on education. It guides the pursuit of science. It is the source of our interest in the health and welfare of every citizen.

The great ideas that have moved the world have sprung from unfettered human minds. The spirit of liberty, in which they thrive, makes one man hesitate to impose his will on another. It relies on the conviction that the truth will emerge from free inquiry and exchange of views.

The notion that ideas and individuals must be rejected merely because they are controversial denies the essence of our tradition. Schools and institutions of higher education, and the trustees, board members and legislators responsible for them, have a particular responsibility to ensure freedom of expression by students, faculty and administrators alike. We must bring up young men and women to believe in the individual and to act upon that belief. There are subtle and powerful pressures toward conformity in the economic, social, and political world. They must be resisted so that differences of taste and opinion will remain a constructive force in improving our society.

Unity of purpose must never be confused with unanimity of opinion. Vigorous controversy and the acceptance of dissent as a positive value will renew our strength and demonstrate to the world our calm confidence that truth and reason prevail in a free society.

2. EQUALITY

Vestiges of religious prejudice, handicaps to women, and, most important, discrimination on the basis of race must be recognized as morally wrong, economically wasteful, and in many respects dangerous. In this decade we must sharply lower these last stubborn barriers.

Progress toward realizing these ideals in practice has been extraordinary. We have ever more closely approached a classless society; there has been a revolution in the status of women; education is more nearly available to all; most citizens have opportunities which a century ago were dreamed of by only a handful.

Respect for the individual means respect for every individual. Every man and woman must have equal rights before the law, and an equal opportunity to vote and hold office, to be educated, to get a job and to be promoted when qualified, to buy a home, to participate fully in

community affairs. These goals, which are at the core of our system, must be achieved by action at all levels.

Primary responsibility rests with individuals. Habits of prejudice and fear of social and economic pressure restrict employment opportunities and housing choices, cause exclusion from eating places, hotels, and recreation facilities, and inhibit the free action of public officers. No American should remain within the grip of these habits and fears.

The right to vote is basic. Private pressures and discriminatory administration of registration laws must not continue to obstruct it. Predominant state control of voting qualifications is traditional; but if necessary, the basic democratic right to vote must take precedence.

One role of government is to stimulate changes of attitude. Additional municipal, state, and federal legislation is essential.* The federal government should enforce the principle that federal funds shall not be disbursed to employers who discriminate on the basis of race. Similar policies should progressively be applied to federal grants for universities, hospitals, and airports, and to federal housing programs.**

By 1970 discrimination in higher education should be entirely overcome. Every state must make progress in good faith toward desegregation of publicly supported schools.***

3. THE DEMOCRATIC PROCESS

The degree of effective liberty available to its people should be the ultimate test for any nation. Democracy is the only means so far devised by which a nation can meet this test. To preserve and perfect the democratic process in the United States is therefore a primary goal in this as in every decade.

The democratic process functions only when the individual accepts his full responsibility as a citizen by forming considered opinions on public policy and by active participation in the choice of public representatives.

Democracy gives reality to our striving for equality. It is the expression of individual self-respect; it clears the way for individual initiative, exercise of responsibility, and use of varied talents. It is basic to the peaceful adjustment of differences of opinion. It must not be curtailed out of impatience to find quick solutions.

The institutions of the federal government require improvement but not drastic change. The conduct of the office of the President and the presence of high-quality people in key executive departments remain principal sources of effective policy-making and administrative performance.

* See the Additional Statement by Mr. Meany, page 29.

** See the Additional Statement by Dr. Darden, page 24.

*** See the Additional Statements by Dr. Kerr, Dr. Killian, and Mr. Meany, pages 26, 27, and 29.

Changing times require that the Congress reassess its procedures. Multiple hearings upon the same issue by several committees put an undue burden upon administrative officers and legislators. Congress could be more effective by focusing its attention on the determination of broad policies. Legislation has become unduly detailed. Congressional committees and their staffs too often encroach upon the administrative function. In the interests of efficiency and economy, Congress might well experiment with an occasional bill authorizing the President to eliminate or reduce specific items, subject to reversal by concurrent resolution.

Improvement of the democratic process requires a constantly better-informed public. Mass circulation periodicals have opportunities beyond their current performance. Television, although it has improved, can do better still in communicating serious ideas. In far too many communities newspapers are inadequate in their coverage of significant public affairs. The problem of interesting and informing mass audiences, which most media must serve, is a constant challenge. The American people remain among the best informed in the world, but their sources of information must steadily be enriched to cope with ever more complex problems.

Private interest groups exemplify the rights of assembly and petition. Thus, the functioning of pressure groups of many kinds has become a part of our democratic process. Special interest groups must operate legitimately. The program of any particular group can be opposed most effectively by the formation of a counter group. There is need for more which represent broader interests such as consumers and taxpayers.

The vastly increased demands upon the federal government require at the higher levels more public servants equal in competence and imagination to those in private business and the professions. This involves a drastic increase in their compensation. The President should be given unequivocal authority and responsibility to develop a true senior civil service. The executive branch must also place greater emphasis on the recruiting, training, and stimulation of career employees.

Employee organizations, dealing with the executive branch on wages and conditions of work, can play a constructive part.

National, state, and local governments collaborate and share power in many domestic concerns. To ensure dispersion of power within the system without obstructing solution of pressing national problems, we must pursue the following primary objectives: enlarge local discretion, as for example in the handling of matching federal grants; increase the financial resources of state and local governments;* represent urban populations more equitably in those state legislatures where they are

* See the Additional Statement by Mr. Meany, page 29.

now under-represented; further develop limited metropolitan authorities or governments.

Shared power is the key to the miracle of effective democratic government of a vast and diverse country. Our major cities and suburban areas need to find means to coordinate numerous local governments for the solution of common problems. State and local governments are increasing their activities more rapidly than the domestic sector of the federal government. Their load will continue to grow, and their capacity to meet it must be strengthened.

4. EDUCATION

The development of the individual and the nation demand that education at every level and in every discipline be strengthened and its effectiveness enhanced. New teaching techniques must continue to be developed. The increase in population and the growing complexity of the world add urgency.

Greater resources—private, corporate, municipal, state, and federal—must be mobilized. A higher proportion of the gross national product must be devoted to educational purposes. This is at once an investment in the individual, in the democratic process, in the growth of the economy, and in the stature of the United States.

Education is primarily a responsibility of the states. They have delegated responsibility for public elementary and secondary education to local authorities, and have chartered colleges and universities. This is the firmly established pattern; it can be made to function satisfactorily to meet the needs of our vast and diverse nation.

In a few states four-fifths of the youth complete four years of high school and one-half enroll in an institution of higher education. This is a majestic accomplishment. However, in many states less than half complete four years of high school and less than twenty per cent enter college. Clearly the goal is to bring every state nearer the present standard of the best. Within the next decade at least two-thirds of the youth in every state should complete twelve years of schooling and at least one-third enter college.

There must be more and better teachers, enlarged facilities, and changes in curricula and methods. The enrollment in professional schools should be increased. Above all, schooling should fit the varying capacities of individuals; every student should be stimulated to work to his utmost; authentic concern for excellence is imperative.

Among the important things that should be done are the following:

- Small and inefficient school districts should be consolidated, reducing the total number from 40,000 to about 10,000. The local school district remains the key to good public education. Local boards should be greatly strengthened.

- Every state should have a high-level board of education.

- Teachers' salaries at all levels must be improved.
- Two-year colleges should be within commuting distance of most high school graduates.
- Graduate school capacity must be approximately doubled.
- Adult education should play a vital role, stressing a new emphasis on education throughout life.

Financial Support. Annual public and private expenditure for education by 1970 must be approximately \$40 billion—double the 1960 figure. It will then be 5 per cent or more of the gross national product, as against less than 4 per cent today.

Most of these funds must continue to come from state and local governments, tuition payments and gifts. State and local appropriations have more than doubled since 1950. The federal role must now be expanded. Total government expenses at all levels must amount to \$33 billion for education by 1970.

Federal aid to higher education must include increased scholarship and loan funds, support of research as an essential part of the educational process, and direct assistance for buildings and equipment.

The federal government should supplement state funds where per capita income is too low to maintain an adequate school program. It should also offer matching grants, for educational purposes to be determined by the states.* Since the Northwest Ordinance of 1787, the federal government has participated in the support of education without destroying local initiative and responsibility. In the future those values should still be safeguarded.

5. THE ARTS AND SCIENCES

Knowledge and innovation must be advanced on every front. In science we should allot a greater proportion of our total effort to basic research, first, to realize fully the rapidly unfolding opportunities to extend still further our understanding of the world, and second, to enrich applied science and technology so essential to the improvement of health, to economic growth, and to military power.

Today we must give high priority to those aspects of science and technology which will increase our military strength, but for the longer term we should recognize that our creative activities in science and all other fields will be more productive and meaningful if undertaken, not merely to be ahead of some other nation, but to be worthy of ourselves.

These objectives should govern our civilian space programs and policies. We should be highly selective in our space objectives and unexcelled in their pursuit. Prestige arises from sound accomplishment, not from the merely spectacular, and we must not be driven by nationalistic competition into programs so extravagant as to divert funds and talents from programs of equal or greater importance.

* See the Additional Statement by Mr. Meany, page 29.

We should ensure that every young person with the desire and capacity to become a scientist has access to the best science education our leading scholars can devise. Given the availability of such education, science will find its fair share of the pool of talent. But this pool of talent must itself be enlarged to the maximum, by seeing to it that those who have the capacity for the rigorous academic discipline required for all the professions start their course of study early, are offered opportunities to develop their talents, and are urged to continue to do so.

We must use available manpower more efficiently. The practice of wasting highly trained people in jobs below their capacity, particularly in some defense-related industries, must be eliminated. On the other hand, we must recognize that many workers have potential for higher positions. We must intensify the practice of upgrading men and women who may not have had advanced training but who have demonstrated capacity.

We should allot a larger proportion of federal research and development funds to basic research. The total program of basic research in industry and other institutions should be increased.

The federal government supports more than half of the research and development in the United States. It is of urgent importance that the administration of its scientific and technical programs be strengthened, but without resort to bureaucratic overcentralization and planning.

The humanities, the social sciences, and the natural sciences all are essential for a rounded cultural life. Literature and history are vital to understanding, to capacity to feel and communicate, to a sense of values. Economics, psychology, all forms of study of human relationships, have become more urgent as the conditions of living have become more complex; our progress in dealing with national economic policy is an indication of what may be achieved by continuing to give these studies full weight. Our world-wide responsibilities require fresh emphasis on foreign languages and continued improvement in teaching them.

The arts are a vital part of human experience. In the eyes of posterity, the success of the United States as a civilized society will be largely judged by the creative activities of its citizens in art, architecture, literature, music, and the sciences. While an encouraging creative surge in the arts is already manifest, our society must stimulate and support richer cultural fulfillment. Our theater must be revitalized; it must have the kind of support in universities, colleges, and communities that will give it greater strength at the roots. Professional artists require rigorous discipline; provision should be made for the long years of training which are required. We should raise our critical standards and widen the area and depth of public appreciation. Thus far, television has failed to use its facilities adequately for educational and cultural purposes, and reform in its performance is urgent.

6. THE DEMOCRATIC ECONOMY

The economic system must be compatible with the political system. The centers of economic power should be as diffused and as balanced as possible. Too great concentrations of economic power in corporations, unions, or other organizations can lead to abuses and loss of the productive results of fair competition. Individuals should have maximum freedom in their choice of jobs, goods, and services.

Government participation in the economy should be limited to those instances where it is essential to the national interest and where private individuals or organizations cannot adequately meet the need. Government, of course, must maintain its regulatory control in areas such as anti-trust laws, collusion, and protection of investors and consumers. We must take special precautions to prevent government officials from being influenced unduly by the sectors of the economy they regulate.

Collective bargaining between representatives of workers and employers should continue as the nation's chief method for determining wages and working conditions.

Conferences among management, union leaders, and representatives of the public can contribute to mutual understanding of problems that affect the welfare of the economy as a whole.

Corporations and labor unions must limit the influence they exert on the private lives of their members. Unions must continue to develop adequate grievance procedures and greater opportunities for legitimate opposition. Professional organizations and trade associations should conduct their affairs on a democratic basis.

Pension rights should vest more rapidly and fully, to improve the mobility of employees.

Barriers to the employment of women and older workers must be removed. While women will maintain and enrich the home and the family, those whose children have left home for school, and those who are not married, are increasingly able to contribute their talents to jobs and voluntary organizations. They may well be the country's largest pool of inadequately used ability. Their enlarging opportunity will help significantly to meet the nation's needs.

7. ECONOMIC GROWTH*

The economy should grow at the maximum rate consistent with primary dependence upon free enterprise and the avoidance of marked inflation. Increased investment in the public sector is compatible with this goal.**

Such growth is essential to move toward our goal of full employment, to provide jobs for the approximately 13,500,000 net new additions to

* See the Additional Statement by Mr. Greenewalt, page 24.

** See the Additional Statements by Dr. Kerr and Dr. Killian, page 27.

the work force during the next ten years; to improve the standard of living; and to assure United States competitive strength.

Public policies, particularly an overhaul of the tax system, including depreciation allowances, should seek to improve the climate for new investment and the balancing of investment with consumption. We should give attention to policies favoring completely new ventures which involve a high degree of risk and growth potential.

In practice, we must seek to keep unemployment consistently below 4 per cent of the labor force. Reduction in unemployment and operation of the economy closer to its capacity require steadily growing consumer demand, and proper management of interest rates, money supply, and government budget surpluses and deficits. If Congress were to raise or lower tax rates more readily, stabilization of the economy would be facilitated.

Increased reliance on research and improved technology will provide opportunity for American industry to expand its markets by producing new and authentically improved products rather than by too great a dependence on superficial changes in style. To these ends, universities, research institutes, governments, and industries should greatly increase basic research, the ultimate source of new ideas and new products.

Education at all levels should aim at a more capable and more flexible work force.

There is no consensus among the economists as to the growth rate those measures will produce. We have before us carefully documented evidence indicating an annual increase in the gross national product of 3.4 per cent without extraordinary stimulating measures. Other estimates made with equal care indicate higher growth rates up to 5 per cent annually. The higher the growth rate, the fewer additional extraordinary measures will be necessary. If the growth rate is lower, it will impel consideration of higher taxes, increased quantity of labor, and the greater individual effort and sacrifice exemplified by forced savings and reduced consumption.*

There is no merit in a statistical race with the Communist nations. The real test is capacity to achieve our own over-all goals. Our economic decisions must be governed by ability to meet our needs for defense, for education, for a healthy private economy with rising standards of living, and for foreign aid.

8. TECHNOLOGICAL CHANGE

Technological change should be promoted and encouraged as a powerful force for advancing our economy. It should be planned for and introduced with sensitive regard for any adverse impact upon individuals.

Education on a large scale is provided by many industrial firms for

* See the Additional Statement by Mr. Meany, pages 28 and 29.

their personnel. Such activities combined with advance planning can minimize unemployment due to rapid technological change. Where re-employment within the industry is not possible, retraining must be carried out through vocational programs managed locally and financed through state and federal funds.

Private initiative can accelerate technological change in our non-military economy.

In our military economy, the federal government must strengthen the management of its programs in technology by improving its supervisory and contracting procedures. It must avoid undertaking impracticable and unnecessary projects and thereby wasting scientific and engineering manpower. Both government and industry need to encourage that combination of engineering and management talent which can master our increasingly complex technology.

We must continue to adapt the management and organization of the Department of Defense to changing military needs. We must encourage fundamental advances in military technology and their rapid introduction. Through bold and tough-minded management we should reduce lead-time in bringing new weapons to operational use. Civilian and military leaders, with the help and understanding of Congress, must make and make stick the difficult inter-service decisions required for the selection of major weapons systems from among available alternatives. The increasing complexity of these systems, the time required for their development, and their fabulous cost give these decisions overriding importance. Conservation of time is critical; it may be more important than the conservation of funds. Saving time is likely to save money.

Throughout the economy, collective bargaining between management and labor will have a marked influence on the process of technological change. It should anticipate needed adjustments, through retraining and transfer policies, and, if layoffs become necessary, by such means as severance pay. Problems of technological change will require far-sighted planning by industry, labor, and government on a cooperative basis.

Public and private leadership are required where whole areas are economically distressed. Measures to encourage industries to move to such communities and relocation programs for individuals are justified. Consideration should be given, where necessary, to state and federal government participation in loans and grants to aid community efforts and to underwrite support for programs of retraining.

9. AGRICULTURE

The relative financial return to agriculture in the economy has deteriorated. The ultimate goal must be a supply-demand equilibrium to permit the market, with a fair return to farmers, to determine the man-

power and capital committed to this sector of the economy. To avoid shock to the economy, this goal should be approached by gradual stages.

A separate problem concerns the 50 per cent of farmers who operate at subsistence levels and produce only 10 per cent of farm output. For them new opportunities must be found through training and through location of new industries in farm areas. During this decade non-farm jobs must be found—where possible locally—for about 1.5 million farm operators who now earn less than \$1,500 a year.

Farm industry is a notable example of rapid technological change and difficult adjustment. Productivity in agriculture rose in the last decade about three times as fast as in the economy as a whole. Therefore, more resources—more people, and more investment—are employed than are required to meet our domestic and foreign needs.

Farmers are leaving the industry. There are a million fewer families operating farms than there were in 1950, a decline in the decade of about 20 per cent. This shift of occupation contributes to our economic growth, and ultimately to a healthy farm industry.

Major measures to reduce oversupply must include much increased retirement of farm land, with emphasis on whole farms. To increase demand we need energetic development of overseas markets. Agriculture could be competitive in world markets if there were reciprocal lowering of quotas and other trade barriers. In selected areas, our surpluses can meet human want without disrupting the markets of other nations. Improvement of nutritional levels for many Americans would not only increase the work efficiency of our population but also reduce farm surpluses.

Government programs of help for farmers, including price supports and other means to prevent collapse of incomes, will continue to be necessary for some time; they must be so managed that they cushion the shock of the transition, without unduly slowing the pace of necessary fundamental adjustments.

10. LIVING CONDITIONS

We must remedy slum conditions, reverse the process of decay in the larger cities, and relieve the necessity for low-income and minority groups to concentrate there.

We should also seek solutions for haphazard suburban growth, and provide an equitable sharing of the cost of public services between central cities and suburbs. In many parts of the country, the goal should be a regional pattern which provides for a number of urban centers, each with its own industries, its own educational, cultural and recreational institutions, and a balanced population of various income levels and backgrounds. The needs of a growing population for parks and recreation must be met.

To these ends, we need dedicated private leadership, together with public and private action to provide improved services and facilities for residents of slum areas, stepped-up urban renewal programs, and an increased rate of construction of lower-priced homes and apartment units. Effective regional planning is essential, and there should be fresh emphasis on considerations of beauty. We should seek elimination of racial discrimination in housing.

Experience in the past decade has taught us some of the steps which must be taken. Further urban renewal programs, costing as much as \$4 billion per year, are needed to purchase city land, clear it of dilapidated buildings, and make it available for residential and business use. Roads and rapid transit facilities should be planned and financed as a unit, and effective regional planning should deal with all transportation, industrial location, and government-assisted housing plans. Services to residents of slum areas, including particularly education, need the same emphasis as slum clearance.

Because experimentation is needed and solutions to these problems may well vary from place to place, federal housing policies should permit local authorities much more discretion. Where local laws prohibit discrimination, federal officials should withhold assistance from housing projects that violate the local fair housing policies. Consideration should be given to federal support, for a limited period, of an intensive moderate-cost housing program under which state and local governments could experiment with mortgage insurance, low-interest loans, non-profit corporations and other forms of industry-municipal cooperation.

Private and civic initiative are vital to such programs. The attainment of these goals will involve massive investment. In the long run this will pay handsome social and economic dividends.

11. HEALTH AND WELFARE

The demand for medical care has enormously increased. To meet it we must have more doctors, nurses, and other medical personnel. There should be more hospitals, clinics and nursing homes. Greater effectiveness in the use of such institutions will reduce over-all requirements. There is a heavy responsibility on the medical and public health professions to contribute better solutions.

Federal grants for the construction of hospitals should be continued and extended to other medical facilities. Increased private, state and federal support is necessary for training doctors.

Further efforts are needed to reduce the burden of the cost of medical care. Extension of medical insurance is necessary, through both public and private agencies.*

* See the Additional Statement by Mr. Meany, page 30.

As our need for doctors rises, the number of applications to medical school is declining. To meet our medical needs, we must not only increase the number of places in medical school by about one-half in this decade; we must also make it much more practicable for young men and women of talent and modest means to enter the profession. Scholarships during medical school and internship training are necessary.

The study of environmental health measures should be increased. We need to mobilize our resources better to understand such problems as air and water pollution, radiation hazards, and food additives. This is necessary in order that the government may formulate wiser policies of regulation.

Some 17 million persons suffer from mental illness in this country; it costs state governments over \$1 billion per year. A maximum research effort, a substantial increase in the number of mental health clinics, and further progress in improving state mental hospitals are all part of the necessary effort to cope with it.

An important welfare objective is to learn more about the causes and methods of prevention of juvenile delinquency and family breakdown. There is great need for sustained study in order better to understand this complex community problem. It requires cooperative attention and action by many professions, community services and organizations. It also requires special measures to find jobs for youth, while maintaining labor standards. Additional trained social workers are urgently needed. Church and neighborhood action must continue to play a major part.

Continued attention should be paid to the social insurance system. The federal government, having relinquished to the states 90 per cent of the unemployment compensation tax, should encourage the states to meet a minimum standard of adequacy of benefit levels, duration, and fiscal solvency.* In addition, there should be established a federal reinsurance program for states with temporary acute employment problems. Public and private arrangements for maintaining income during sickness should be improved.

PART II

GOALS ABROAD

Introduction

The basic foreign policy of the United States should be the preservation of its own independence and free institutions. Our position before the world should be neither defensive nor belligerent. We should cooperate with nations whose ideals and interests are in harmony with ours. We should seek to mitigate tensions, and search for acceptable

* See the Additional Statements by Dr. Kerr and Mr. Meany, pages 27 and 30.

areas of accommodation with opponents. The safeguarded reduction of armaments is an essential goal.

The United States, though omnipresent, is not omnipotent. We and the nations which share our basic aims cannot hope always to prevent violence, the corruption of nationalist movements to Communist ends, or other adverse developments.

Whether nations will prefer freedom to totalitarianism is a vital issue. The free nations must exert themselves to the utmost to influence that choice, by assistance freely given to help develop political stability based on progress and justice, and to ease economic pressures. They must seek to prevent the denial of choice by Communist expansion.

Our goals abroad are inseparable from our goals at home. We must strive toward an open and peaceful world by making democracy ever more effective and individual life freer and more rewarding.

Information programs should be made more effective in counteracting distortion and presenting a balanced picture of American life and policy to people in foreign lands.

12. HELPING TO BUILD AN OPEN AND PEACEFUL WORLD

Foreign Trade Policy*

The healthiest world economy is attained when trade is at its freest. This should be our goal. The United States should join with other free world industrial nations in seeking a gradual reduction of tariffs and quota restrictions. We should seek this goal while safeguarding the national economy against market disruption, against destructive competition as a result of grossly lower unit labor costs, and to preserve national defense. We must effectively counter totalitarian trade practices. While many underdeveloped nations will insist, as the United States did for many years, upon tariffs and other forms of protection, we should continue to seek lowering of trade restrictions elsewhere in the world, especially barriers by larger regional trading groups. Our export trade must be conducted with ingenuity and vigor.

If the United States is to participate effectively in this process, some revision in our trade legislation will be required. The so-called "peril point" and "escape clause" provisions may need some modification, since they put a floor on the reduction of tariffs, which has now been reached in many areas.**

Elimination or modification of these restrictions might lead to imports taking larger shares of particular domestic markets. Normally the reductions should be undertaken step by step. Where the impact of a tariff reduction is such that an industry or community cannot absorb

* See the Additional Statement by Mr. Greenewalt, page 25.

** See the Additional Statement by Dr. Darden, page 24.

it unaided, temporary government assistance toward retraining, relocation, and reinvestment is warranted.

Though the trend should be downward, there may be rare cases where increases will be necessary in the national interest.

Although exports have slightly exceeded imports in recent years, expenditures abroad for economic aid, military bases, private investment, and foreign travel have led to a deficit in international payments of about \$3.5 billion in 1958 and 1959 and perhaps higher in 1960.

This unfavorable balance of payments is caused by many factors, some of which do not relate to foreign trade policy. At least three steps are essential to rectification: a much higher export surplus; larger participation of other developed nations in assistance to the underdeveloped; and more equitable sharing of defense costs among the Allies.

The principal Western European nations are capable of larger capital export and aid to underdeveloped nations; this is notably true of the German Federal Republic. Similarly, it may be necessary for the United States to seek greater sharing of the cost of new weapons systems by the nations of Western Europe.

Aid to Less Developed Nations

Our principles and ideals impel us to aid the new nations. The preservation and strengthening of the free institutions of underdeveloped countries, and the defense of the free world, require a substantial increase in the amount of foreign aid, to be equitably shared by the major free nations.

International economic organizations, such as the World Bank, deserve our support. We must devise new forms of cooperation, in which developing countries have opportunities for participation.

The success of the underdeveloped nations must depend primarily on their own efforts. We should assist by providing education, training, economic and technical assistance, and by increasing the flow of public and private capital.

Through investment of about \$20 billion a year, three-fourths of it from their own savings, the underdeveloped countries are increasing their production at an average rate of about 2 per cent. However, this economic growth is nearly balanced by population growth, so that the rise in living standards is barely perceptible.

Doubling their economic growth rate within five years is a reasonable objective. This could be accomplished if the developing nations increased their own yearly investment by about half, and if foreign investment rose from the present approximate \$5 billion a year to about \$9 billion in 1965—roughly 1 per cent of the Western industrial nations' combined gross national product. The United States share of such an effort would require by 1965 an outflow of \$5 to \$5.5

billion per year of public and private capital, as compared with \$3.4 billion per year in the 1956-59 period.

Government funds for roads, port facilities, utilities, educational facilities and other institutions should account for a high proportion of these totals. The balance can and should be supplied by private investors. Broader guarantees and incentives will be needed to induce the required volume of private investment.

Better coordination of the assistance programs of the industrial nations will be necessary. The newly proposed Organization for Economic Cooperation and Development is a promising instrument for stimulating cooperation among the North Atlantic industrial nations, and with the nations to be assisted. The World Bank and International Development Association, with wide membership from both groups and high technical competence and experience, can and must continue to expand. Our special relationship to Latin America will call for an increasingly close cooperation on the basis of partnership.

We must encourage far larger numbers of qualified Americans to live and work abroad.

Half a million American civilians live abroad, as a result of private and government employment. Their number and their ability to represent the United States creditably must rise rapidly in the next decade if we are to attain an adequate level of exports and foreign investment and carry out programs for training and technical assistance. Universities, businesses, and the federal government should each in appropriate fields greatly increase language and other specialized training for such work.

13. THE DEFENSE OF THE FREE WORLD

The Soviet Threat

Communist aggression and subversion threaten all that we seek to do both at home and abroad. Consequently, the maintenance of our independence and way of life, as well as our concern for the freedom of other nations, require the most effective counter-measures.

The power and opportunities of the Sino-Soviet nations are such that it will be a major task to prevent their expansion in the coming decade. Nevertheless, we must never lose sight of our ultimate goal: to extend the opportunities for free choice and self-determination throughout the world.

We must stand firm wherever, as in Berlin, our commitments and interests are squarely opposed to those of the Soviets. At whatever cost, we must maintain strategic and tactical forces of sufficient strength to deter the Communist powers from surprise attack and to cope with military aggression even on a limited scale. A secure deterrent is essential. We must meet Communist military threats used for political purposes. We must be ready to make the sacrifices necessary to meet the rising costs of such military capabilities.

We must also meet subversion by cooperation with other nations, by direct help on request, and through economic programs which, in addition to other purposes, reduce conditions favorable to subversion.

Nonetheless, we should try continually to find a basis for mutual tolerance and reduction of tensions. We should be prepared to negotiate on any reasonable basis. We should enlarge personal and cultural contacts.*

Communist China

Communist China's blatant hostility to the United States makes it especially urgent to strengthen our Pacific defenses and our ties with our Pacific allies.

Over the next decade, Communist China may be more aggressive than the U.S.S.R. Within a few years, Peiping may have the capacity to produce atomic weapons. Its strong conventional forces and rapid industrial progress already exert great impact in Asia.

Our policies in the Far East must include maximum cooperation with Japan in solving its difficult economic problems, continued support for the Republic of Korea and the Government of the Republic of China, programs of military and economic assistance to the free nations of South-East Asia, major assistance toward the economic development of India, and the maintenance of our own military forces.

Military Alliances

For the common defense, we must maintain and strengthen our military alliances. Our commitment to NATO in particular must remain firm. We should encourage the trend to greater military integration among the European members and the assumption by them of greater responsibilities. Our other military alliances and relationships in the Middle East and Asia must likewise be reaffirmed and strengthened. The Organization of American States must continue to have our unstinting support.

In support of these alliances, and in a few nations not covered by them, the United States must continue to furnish military assistance. To the extent that other nations gain strength, and local dangers diminish, it may become possible to reduce such aid. But major reductions are not in prospect. In some instances, our military aid is essential to progress toward political stability on an increasingly democratic basis.

Communist-dominated Areas

In nations subject to Communist domination or influence, our hope must be that the right of self-determination will ultimately be achieved.

* See the Additional Statement by Mr. Meany, page 28.

Trade, cultural exchanges, and occasionally technical or financial aid may be useful policies toward Communist-dominated peoples who are not hostile to us.

14. DISARMAMENT

Since a major nuclear war would be a world catastrophe, the limitation and control of nuclear armament is imperative. Disarmament should be our ultimate goal. It cannot be attained without eliminating the sources of distrust and fear among nations. Hence, our immediate task must be the step-by-step advance toward control of nuclear weapons and their means of delivery, with effective international inspection. A safeguarded agreement to suspend nuclear testing may well be the first step, and would tend to limit the number of nuclear powers.

In view of the complex interaction of arms control and national security, we must organize a major government effort for the study and analysis of political, military, and technical issues in order to provide a sounder basis for policy formulation and negotiation.

The essential condition of any stabilizing agreement must be that neither side be left in a position of significant advantage. Inspection measures providing adequate safeguards must be accepted by both sides, but we should recognize that any inspection system will have risks which must be balanced against the advantages of arms limitation agreement.

A real difficulty in progress toward arms limitation is to induce the Soviet Union to overcome its long habit of secrecy. The United States and its allies should emphasize their readiness to accept international inspection, although it will mean a degree of foreign presence and activity that will be novel and distasteful even in our open societies.

15. THE UNITED NATIONS

A key goal in the pursuit of a vigorous and effective United States foreign policy is the preservation and strengthening of the United Nations. Over the next decade, it will be under tremendous strain. However, it remains the chief instrument available for building a genuine community of nations.

This requires constant strengthening of world law, through the discovery and adoption of legal principles common to all or at least to many cultures, through improved methods for making existing international law accessible, and through the further development of the International Court of Justice.*

Through various specialized agencies the United Nations does significant work in many fields. It shows increasing effectiveness in technical assistance to new nations, and often assumes a major role in the control of violence and the settlement of disputes.

* See the Additional Statement by Dr. Wriston, page 31.

In a world in social, economic, and political ferment, international violence is a constant threat. Since nations have become so closely inter-locked, there is danger that local violence will induce widespread conflict. Without abandoning, in justified cases, our right to unilateral action, the United States should join with other nations in seeking resolution of as many issues as possible through the United Nations, the Organization of American States, and other international agencies.

It must be recognized that the United Nations provides a forum for Soviet propaganda and tactics of dissension, and an opportunity for Soviet vetoes to block or delay free world advances. On occasion, the growing bloc of votes from the new and uncommitted nations may turn a decision in the United Nations against our interest. Nevertheless, we should give the world community, as represented by the United Nations, our steadfast support.

PART III

A FINANCIAL ACCOUNTING

Resources are a crucial test of a nation's ability to attain its goals.

At the present time, federal, state, and local governments are spending about \$135 billion each year, of which about \$99 billion represents purchases of goods and services (as opposed to social security and similar transfer payments). These totals are 27 per cent and 19 per cent respectively of our total gross national product. We cannot now determine whether this proportion of our national product will be adequate for the role of governments in the Sixties.

The increase in defense expenditures is difficult to predict. National security expenditures, exclusive of veterans' benefits and interest costs due largely to prior wars, account for 36 per cent of the total amount spent at all levels of government. Foreign aid should be raised over the next five years, and there is little prospect for reduction in other national security expenditures.

Domestic expenditures are also hard to estimate. For education, we shall need a large additional sum. Expenditures at all levels of government for health, urban renewal, housing, transportation systems, and reservation of open space will certainly rise materially, and federal government support for basic research must be increased.

Economies can and must be made. Some savings in the federal agricultural program may be possible, and greater efficiency throughout government would reduce costs. But these savings cannot be counted on to offset rising expenses.

We therefore face the prospect, though by no means the certainty, that aggregate tax rates will continue at something like their present level through the decade, and may even have to be increased. We must

face squarely the issue: if attaining the goals outlined in this Report should require a somewhat higher level of taxation, can we bear this level without consequences which themselves make the goals more difficult to reach?

Provided that economic growth proceeds at an annual rate of 3.4 per cent or higher, there is no doubt that we can do so. In aggregate terms, increasing public expenditures are very unlikely to reduce the level of average individual consumption in this country; the average citizen's standard of living would continue to rise, though perhaps at rates below those of the recent past. A moderate increase in tax rates need not, if its necessity were understood, materially impair the incentive or the morale of the American people, nor alter the primary reliance of the economy on private choice.

Tax systems which must allocate for governments about one-fifth of the national product must be both fair and designed to reduce to a minimum the impact of taxes upon growth.

A substantial reform of the tax systems is essential, whether public expenditures must be increased or can be reduced. It will facilitate the attainment of many national goals.

The federal tax system should be revised to eliminate unjustified exceptions to its general rules, to assure equitable treatment of all types of incomes, to encourage the accumulation of risk capital so vital to economic growth, and to remedy the many contradictions and flaws which have grown up within the system.*

Many state governments must find new tax sources. Local governments must be freed of unnecessary restrictions on taxing and borrowing powers, and the pronounced inequalities in the property tax bases of local jurisdictions should be corrected.**

If these reforms are made and the minimum growth rate we postulate is achieved, it is this Commission's conclusion that the levels of public spending we would need to realize the recommendations of this Report are attainable. There must be no ideological preference for public spending as such. Costs must always be carefully weighed. But the needs outlined in this Report are themselves vitally related to ultimate freedom and individual development. We should not fail to meet them.

A CONCLUDING WORD

The very deepest goals for Americans relate to the spiritual health of our people. The right of every individual to seek God and the well-springs of truth, each in his own way, is infinitely precious. We must

* See the Additional Statements by Dr. Darden and Mr. Greenewalt, pages 24 and 25.

** See the Additional Statement by Mr. Meany, page 29.

continue to guarantee it, and we must exercise it, for ours is a spiritually-based society. Our material achievements in fact represent a triumph of the spirit of man in the mastery of his material environment.

The family is at the heart of society. The educational process begins and is served most deeply in the home.

From the first days of our history, every American has been responsible for his own life and livelihood, and for his family's, and has shared responsibility for his neighbor's. In our early years, the perils which threatened were close at hand, and the responsibility was inescapable. Now dangers, and opportunities as well, come from greater distance, and more subtly. But they are just as real. And it is as true as in the days of the frontier that the goals for Americans cannot be won without the efforts of all.

The major domestic goals of equality and education depend overwhelmingly on individual attitudes and actions.

It is the responsibility of men and women in every walk of life to maintain the highest standards of integrity.

American citizens will in this decade have countless opportunities to take the national interest into account in deciding their course of action. Negotiators for labor and management affect the growth of the economy and its ability to compete with industry abroad when they reach a decision on compensation and working conditions, and thus influence the rate of technological change. Young men and women will help shape the course the United States will take by deciding in what occupation they will spend their lives. Americans who live or travel abroad can persuade countless people of the sincerity of American ideals and the values of democracy, or they can tarnish the nation's reputation. Voters will determine whether schools will be built, teachers' salaries raised, foreign assistance enlarged, defense needs fulfilled. Our goals will be attained and our way of life preserved if enough Americans take the national interest sufficiently into account in day-by-day decisions.

The American citizen in the years ahead ought to devote a larger portion of his time and energy directly to the solution of the nation's problems. There has been repeated occasion in this Report to emphasize the overriding importance of contributions by private groups and individuals. Many ways are open for citizens to participate in the attainment of national goals. To mention but a few: they may help to control delinquency by organizing a boys' club, serve on a school board, accept a tour of duty with government, participate actively in politics through parties or interest groups.

Above all, Americans must demonstrate in every aspect of their lives the fallacy of a purely selfish attitude—the materialistic ethic. Indifference to poverty and disease is inexcusable in a society dedicated to the dignity of the individual; so also is indifference to values other

than material comfort and national power. Our faith is that man lives, not by bread alone, but by self-respect, by regard for other men, by convictions of right and wrong, by strong religious faith.

Man has never been an island unto himself. The shores of his concern have expanded from his neighborhood to his nation, and from his nation to his world. Free men have always known the necessity for responsibility. A basic goal for each American is to achieve a sense of responsibility as broad as his world-wide concerns and as compelling as the dangers and opportunities he confronts.

ADDITIONAL STATEMENTS BY INDIVIDUAL
MEMBERS OF THE COMMISSION

Statement by Dr. Darden

I am disturbed by the suggestion contained in the next to the last paragraph in 2. *Equality*. The denial of funds to universities, hospitals, airports and federal housing programs where controversies over racial discrimination exist will result in many cases in the withholding of funds urgently needed by both races. It would be more effective to go on as rapidly as possible with the undertakings found desirable, relying upon education, persuasion and law to bring about a settlement of the controversies which arise. I wish to so record myself.

I have difficulty in reconciling the first three paragraphs of 12. *Helping to Build an Open and Peaceful World*. With the first paragraph I am in accord. The observations in the next two paragraphs dealing with the "peril point" and "escape clause" provisions seem to suggest and approve tariff revisions so drastic as to violate our recommendation that the national economy be guarded against market disruption and against destructive competition as a result of grossly lower unit labor costs. Since adherence to this last principle is important, I desire to record my dissent from what I take to be a departure from it.

Mr. Greenewalt in his memorandum is dealing with tax revision and the possibilities for stimulating employment in this way. I wish to associate myself with his views on this subject. In addition to what he has to say I wish to record my view that the very high rates imposed are designed not to raise revenue but to confiscate incomes beyond a fixed figure and are a denial of opportunities for the individual upon which, and properly so, we place such emphasis.

Statement by Mr. Greenewalt

The goals here presented call for unprecedented increases in government expenditures over the next decade. Were these to be superimposed on our *present* economy the tax burden would be clearly unsupportable. Should the American people endorse these spending proposals, it becomes essential that the economy grow at a pace which will make the added funds available at tax rates no greater and, hopefully, even lower than those now being levied.

While the sections on economic growth, foreign trade, and tax policy contain much that is sound, they do not in my view adequately recognize this problem. A vigorous and expanding industrial economy

is essential to our domestic well-being and to our position of world leadership. We dare not risk weakening it; we must do all we can to strengthen it.

The improvement of education and the allocation of increased resources to basic research are of course essential for the longer term, but even if implemented immediately could have little effect within a ten-year period. We must act promptly to improve the atmosphere for vigorous economic growth. Two things should be done. Depreciation policies, as indicated in the Report, should be modified to permit rapid amortization of new plant and equipment. This will encourage industry to undertake needed modernization and, more importantly, will facilitate entirely new and risky ventures with high growth potential.

The steep progression in our personal income tax rates should be abated. These high rates strike directly at incentives for personal accomplishment and cannot fail to weaken the drive at all management levels. If our business enterprises are to flourish, we dare not risk decreased initiative for those men and women responsible for the process.

High tax rates also tend to remove an important source for new venture capital—capital of the very kind likely to support bold new discoveries. There is insufficient recognition in the Report of the importance of *quality* in capital investment. The growth rate will be influenced much more favorably by a given number of dollars invested in plant for a completely new product than the same dollars invested in, let us say, a model change in a refrigerator or an automobile. New product ventures imply an inherently high degree of risk. Traditionally their conception and implementation has come from the initiative, creativity, and financial backing of individuals as well as from corporations. At present corporations have no difficulty in finding capital to meet new investment opportunities. This however cannot be said for today's Henry Fords or Thomas Edisons. The proportion of commercial successes from the invention of creative individuals is likely to be small. Financing must come from those who can afford to take the gamble and lose.

The section on foreign trade presents points of view that appear inconsistent and ambiguous. In certain portions of the section it is suggested that tariffs be reciprocally reduced so that imports and exports will be increased. Should such action produce unemployment in the United States, it is proposed that federal funds be made available for retraining and relocating the affected workers. I cannot agree with these proposals. To be sure trade between nations should be at its freest. We cannot, however, afford to accelerate the process if the result is to compound the very real problems of reducing present unemployment and absorbing more than 13 million new workers into a

productive labor force. The problems of international trade are complicated by the gross disparity between American wage rates and those obtaining in all other industrial nations. Traditionally, improved technology in the United States, arising out of its great marketing area, has neutralized those differences. Today the creation of equally great trading areas abroad and technology fully equal to our own make such neutralization impossible.

Reduced tariff protection in the United States then becomes a clear invitation to greatly increased imports. To be sure industry should show initiative and vigor in increasing exports, and I have no doubt that progress can be made in this area. Reduction of tariffs abroad will increase these opportunities. I should point out, however, that differences in wage rates may be as effective in limiting our exports as they are in increasing our imports. For industrial England, Europe and Japan are not standing still—and the inevitable improvement in their industrial stature and in their ability to provide for the material needs of their citizens will make maintenance of exports at high levels progressively more difficult.

I should make it clear that I do not favor tariffs at rates so high that they bar imports in any industrial area. Competition from foreign products is as healthy for our economy as is competition among our own companies and industries. What is necessary, it seems to me, is the maintenance of tariffs which will no more than compensate for existing wage differentials. Were this to be done we would have the benefit of foreign competition on a fair, competitive basis. Imports would not be excluded but would have to compete on their merits with the products of American industry.

Finally, the section on taxation says nothing specifically about steeply progressive personal income tax rates. Here I make once more the suggestion that the slope of progression be substantially reduced. I find it a pity that a Report which speaks so eloquently of the rights of the individual should condone legislative strictures limiting him in some cases to less than nine per cent of the fruit of his labor.

Statement by Dr. Kerr

This Report represents the consensus of the Commission members. It is not precisely as any single member would have written it. But the Report accurately reflects general agreement on an impressive number of important issues, and I am glad to endorse it with the following reservations:

1. With reference to national goals in the area of equality of opportunity, I should prefer to state that discrimination in education (not only in higher education) should be entirely overcome by 1970. Similarly, our goal should be the complete elimination by 1970 of dis-

criminatory practices in employment, housing, and in the provision of other services and facilities. These goals are both essential and attainable. Granted that difficult problems sometimes exist, they can and must be solved during the present decade. The moral and constitutional rights of American citizens must take precedence over all other concerns.

2. In the economic sphere, I should prefer to state as our goal an economic growth rate of not less than 4 per cent, and, if reasonably possible, 5 per cent annually. Our many essential national objectives and tasks require such a growth rate and justify the measures which may be necessary to accomplish this rate of growth.

3. The experience of widely varying standards and requirements in state administration of unemployment compensation funds indicate that federal encouragement of specific standards almost certainly will not be enough. I believe the federal government will need to establish minimum standards for benefit levels and duration of benefits just as it has established minimum standards with respect to coverage and certain other features of our federal-state unemployment insurance program.

Statement by Dr. Killian

I wish to note my agreement with points 1 and 2 of Dr. Kerr's Statement above, dealing with desegregation of schools and with the growth rate of our economy.

Statement by Mr. Meany

The Commission has outlined goals for the United States in the fields of education, science and the arts, in city planning and urban renewal, in health, welfare and the improvement of living conditions that are of the first order. The role of the individual and the attainment of these objectives, through the full extension of the democratic process, is excellent.

In the area of world affairs, desirable goals are set forth on the basis of a full recognition of the threat of Communist aggression and subversion. These goals proclaim the need to preserve and extend the area of freedom and our duty to support the United Nations, pursue the objective of safeguarded disarmament, and to cooperate with friendly nations for both peaceful and defense purposes. Excellent positions are stated on the need for expanded foreign economic aid and improvements in international trade.

I am happy to associate myself with the above goals.

I find myself in disagreement, however, with the hasty optimism shown by the Commission in the international field in the references

to exchanges with countries under Communist dictatorship and control.

"To enlarge personal and cultural contacts" with peoples behind the Iron Curtain would be an undoubted good if there was thereby a really free exchange of ideas, opinions and information. It is possible that little harm results from exchanges of artists, scientists, actors and professional technicians. Damage is done, however, when governmentally-appointed heads of governmentally-controlled organizations from behind the Iron Curtain are welcomed as non-governmental delegates and are permitted to gain respectability and legitimacy in the eyes of the free world. This applies with particular emphasis in relation to trade unionism which is assigned such a key role in the subversive efforts of Soviet Communism and in its goal of penetration of workers' organizations throughout the free world.

I also stand in disagreement with some of the means proposed by the majority for the attainment of major domestic goals, or, in many cases, their failure to provide any adequate means for attainment.

Private initiative and incentive are important; state and local governments must expand their roles to meet new needs. But the superior resources of the federal government, collected through fair, equitable and progressive taxes and administered through a truly democratic structure, must be more greatly utilized. Failure to recognize this not only blinds one's self to reality, but would doom many of these worthwhile goals.

The Report grudgingly recognizes the role and responsibilities of the federal government and, when it does recognize it, sees it only as a last resort. Hoping that private initiative and/or state and local governments will do the job is just not enough.

The major question, with which the Commission wrestled but failed to conquer, is how to meet the costs of these programs without undue burden upon the nation's economy. The Report seems to say we can do it, maybe, but if not we are prepared to sacrifice.

I am in complete agreement with the need to sacrifice, if necessary through higher taxes and even a slower rate of progress in living standards.

But I am not convinced either is necessary for I firmly believe our economy can and will grow fast enough, given proper leadership, to permit the costs of these programs, many of which will also contribute to economic growth and expansion.

It is precisely here that the majority report fails. It speaks firmly and positively on goals; it speaks only timidly on methods for attaining them.

Let me cite the specific timidities to which I take exception:

1. The Report says, "There is no consensus among the economists as to the growth rate those measures (high levels of demand and adequate

monetary and fiscal policy) will produce." The Commission tends to accept as valid the projected 3.4 per cent growth rate that it had before it, though it concedes that other estimates of 5 per cent growth have been made by competent authorities. The majority admits that the 3.4 per cent growth may not provide the financial resources to insure achievement of its goals. It foresees the need for "extraordinary stimulating measures" to attain the higher growth rate and it proposes, as a last resort, "forced savings and reduced consumption." I am not prepared to accept this pessimistic approach. I am convinced, as are many sound economists, that the nation clearly can, should and must grow at an annual rate of 4.5 to 5 per cent, without resort to "extraordinary stimulating measures" such as forced savings and reduced consumption. America can meet its world responsibilities, insure its military security and increase the living standards of its people in the fully democratic and competitive society which is our heritage. I am not prepared to aim for less.

2. The Report sets excellent civil rights goals, but fails to support the action steps necessary in two major specifics.

a. In discussing private employment opportunities regardless of race or sex, the Report says, "Additional municipal, state, and federal legislation is necessary." It timidly stops short of supporting the only realistic legislative step: an enforceable federal fair employment practices law, supplemented by similar state and local laws.

b. It sets a 1970 goal for desegregation in higher education, but astoundingly sets no time goal at all for desegregation of publicly supported schools, urging only "progress in good faith." By 1970, all Negro children must have available to them the opportunity to attend all local schools, subject only to meeting uniformly administered academic standards.

3. The Report properly points out that "the financial resources of state and local governments must be increased," and that "many state governments must find new tax sources." It should go one step further and recommend that a federal income tax credit to the states be enacted by the United States Congress as a means of assuring a sound equitable way of raising additional revenue, rather than enacting regressive sales and excise taxes. A federal income tax credit is one sure way of reducing the reliance of state and local governments on the larger financial resources of the federal government.

4. Its education goals are excellent and the Report correctly observes that the percentage of the gross national product spent on education must increase in the coming decade. But it proposes only federal supplemental funds to states whose per capita income is inadequate and provides other states with federal funds only on a matching basis. What America needs is federal grants to all states with further supplemental funds to those states whose per capita income is too low.

5. In the field of medical care, the Report correctly assesses the need for reducing the cost burden through extension of public and private insurance. But, in the field of medical care for the aged, easily the most pressing problem in this area, the Report refuses to take the next, necessary step and say such insurance should be extended through the tried and proved Social Security system.

6. The Report recognizes the inadequacies of the present unemployment compensation setup but calls only for "encouraging" the states to meet a minimum standard of benefit levels, duration of benefits and financial solvency. We have just experienced eight years of "encouraging" the states to meet minimum standards with almost no record of success. The Report fails completely to recognize this fact and to call for what is necessary—requiring the states to meet such standards.

These specifics point up the fact that the Commission's Report marches right up to the issues, always faces them boldly, then often turns away, without making the necessary, if sometimes unpopular, proposals for attaining the very goals the Commission believes necessary.

It is not enough, in my opinion, to recognize the need unless we at the same time chart the path to attainment. The majority has correctly described the goals; they have failed, in certain instances, to point the way to achievement.

Statement by Mr. Pace

I have believed in the vital importance of the Commission on National Goals from its inception. This was not because I felt the Commission was capable of setting goals for Americans—only the people can do this—but rather to identify our major problems to our citizens who deeply want to contribute, but whose task has been made infinitely more difficult by the variety and complexity of the issues involved.

My conception of what this Commission has tried to do is to set out the things for which we should strive over the long term and to identify areas in which inaction might cost us dearly. It should be recognized that the Commission's task was to point out what this nation should do. It could not enter into the more difficult and detailed problems of priorities and the exact costing and paying for goals achievement.

A word about defense, with which I have had close association for over ten years. Clearly in so vast and complicated an area there are opportunities for improved administration and important savings, and these must be pursued vigorously. There are, however, three other areas that have commanded insufficient general attention and that are vital:

The first is the encouragement of revolutionary new ideas in weapons systems. Our greatest strength in our country is the free flow and interchange of new ideas. It is our best means of staying ahead

of the Communists. Every effort should be made to encourage new approaches and to reward those who generate them. The lessons of the past are important, but clinging to the past is impossible.

The second is incisive selection at the earliest practical time of a new weapons system. In a period of enormous technological change, the variety of possible choices is so great that the selection process is most difficult. Responsibility for the selection must be clearly identified and centered in one place. Even recognizing that mistakes will inevitably be made, this still represents a lesser danger than that of pursuing too many programs inconclusively.

Finally, I want to emphasize the all-important problem of the time lag between the conception of a great idea and its production as a weapons system. Concentrating as we have on dollar savings, we lose sight of the fact that obsolescence through delay is the most costly single factor both in terms of dollars and the national security. The Department of Defense working intimately with the Congress in centering attention on improvement in this area can make a unique contribution.

A last comment: As an individual, I conceive of democracy as an expanding factor in the world—not expansion through force but through ideas. Democracy can never be allowed to become static or it withers. For it to continue to grow, our people must live it in its complete sense. In the long run the survival of our way of life depends more on the quality of family and religious life and on the full acceptance of the responsibility of citizenship in all its phases than on any other factors.

Statement by Dr. Wriston (with whom Messrs. Canham, Conant, Gruenther, Kerr, Killian, Meany, and Pace concur)

I believe that the discussion of world law (*15. The United Nations*) should include a specific recommendation for repeal of the Connally Amendment, which now limits the jurisdiction of the World Court.

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Goals for Americans Programs for Action in the Sixties

This report, together with the sixteen essays prepared for consideration by the Commission, will be published commercially on December 12, 1960, by Prentice-Hall, Inc., under the title shown above. Copies of the volume containing the Report and the accompanying chapters will be available in bookstores on that date, both in Spectrum paperback (selling for \$1) and in hard cover (selling for \$3.50) editions.